#### **JULY 2008**

# Constitutional Deadline Passes, Again. Californians Wait for 2008-09 Budget Agreement.

Last month I reported to you on the Governor's budget proposal to the Legislature which he revised based on more solid post-April 15 revenue figures. The next step in the budget process sent his "May Revise" to the Assembly and State Senate for our line-item review and changes, committee by committee. That process has been completed, but the budget needs final approval by 2/3 of the Members of both the Assembly and Senate to get to the Governor's desk. This has been the historic partisan roadblock, and is again this year. With an estimated \$15.2 billion budget shortfall to close, the divide is wider than ever.

We all recognize the challenge posed by such an enormous structural budget deficit. It is beyond unfortunate that my Republican colleagues, having all been required to sign "no new taxes" pledges for their caucus, refuse to articulate how they would close the gap with no revenue increases of any kind, including closing tax loopholes that make no sense. To get a sense of what a "cuts only" solution to closing the gap would mean, here are some examples.

#### **Every \$500 million cut is the equivalent of:**

- Seats at the University of California for 25,000 students.
- > Seats at California State University for 45,000 students.
- A year's salary for 7,500 elementary school teachers.
- Services for 100,000 special education students.
- ➤ Health care for half of California's 800,000 uninsured children.
- Funding for 500 miles of seriously-needed levee repairs.
- > Funding for half of all state government costs for firefighting.
- Cost of rehabilitation of 54,000 state prison inmates (with a Federal Court receiver on the brink of seizing \$7 billion of state funds to relieve prison overcrowding.)

And since we have to find over \$15 billion to close the gap, multiply these examples 30 times!

After seven months with no Republican proposal on the table, Democrats have crafted a budget that, while far from perfect, is, I believe, balanced, responsible, compassionate, and reflective of the values that Californians have told us in poll after poll should be protected. It provides more for education than the Governor recommended; restores financial assistance for college students; does not shred the social safety net; leaves the gates open to our precious state parks; and insures that we maintain a high level of public safety protection in both fire and law enforcement budgets. On July 8, the Conference Committee completed its work on the current Assembly and Senate budget proposals.

#### Key elements of the tax package:

This package either closes tax loopholes or rolls back tax breaks.

➤ Reinstates the tax brackets for people filing joint returns with a taxable income above \$321,000 to 10%, and to 11% for incomes about \$642,000, similar to what Republican Governor Pete Wilson approved in the 1990s. These are high-earner taxpayers who have already benefitted enormously from Bush administration tax breaks.

#### Revenue to be generated = \$ 5.6 billion

Closes a technical loophole for large corporations, changing the loss carryforward period.

#### Revenue to be generated = \$1.1 billion

Restores the franchise tax for business to 1997 levels (when it was eliminated because the state was running a budget surplus.)

#### Revenue to be generated = \$ 470 million

Suspends two tax adjustments for upper-income taxpayers.

#### Revenue to be generated = \$ 1.03 billion

> Steps up tax enforcement modeled after past tax amnesty programs

#### Collection of taxes already owed = \$ 1.5 billion

remain very concerned about the impact on our schools and students if this budget stalemate protracted, as many predict it will be. It is simply not acceptable to find this great state near the bottom of every national ranking and measurement for student success and per-pupil spending. Our educational system has been battered by budget crises past decades of disinvestment. California's students deserve better and our future truly depends on their success.



#### **Incoming Chair of the Assembly Education Committee**

I am very excited to have been appointed by Speaker Karen Bass to be the next Chair of the Assembly Education Committee. We need to craft legislation that will focus on student achievement, facilitate innovation and improvement, and replicate best practices and excellence across all of our schools. To lift California's education system back up to being a model for the nation, we need to invest in our schools in a serious and sustainable way.

#### Stay tuned.

## July a Great Month for Libraries in the 41st AD

Breaking ground for the new Topanga Public Library are, left to right: Adriane Allan, Friends of the Topanga Library; Supervisor Zev Yaroslavsky; Margaret Todd, County Librarian; Laura Zucker, Executive Director for the Los Angeles County Arts Commission; and Liam Joyce, Principal of Topanga Elementary School. (7/2/08) PHOTO: County of Los Angeles

#### **Topanga Canyon Library**

July 2, Topanga Canyon residents broke ground for a brand new Los Angeles County Public Library in the heart of the Canyon. True to the Topanga spirit, it will incorporate "green" building principles designed to qualify the library for Silver LEED ("Leadership Energy and Environmental Design") certification by the U.S. Green Building Council. In addition to the prestige that comes with this certification, there are practical benefits of energy-saving design. In one building, it is estimated to reduce energy consumption by 30% per year with a one-time 3% additional cost of construction.

Green construction features will include water-thrifty landscaping and irrigation systems, "cool" roofing materials, maximizing use of recycled materials, and more.

The library itself will be roughly 11,000 sq.ft., with clerestory windows that will fill the library with light and provide views of the surrounding mountains. One percent of the construction budget will be set aside for public art done by artists from or connected to Topanga. Completion is projected for March of 2010. Based on need assessments conducted early on in the process, the Topanga Library is expected to become one of the most heavily-used branch libraries in the L.A. County Public Library system. Special thanks to L.A. County Supervisor Zev Yaroslavsky, who took the lead with the Board of Supervisors requiring Silver LEED certification or higher for all new County buildings over 10,000 sq.ft., and who made this newest County library happen.



Celebrating the shining Calabasas Civic Center are, left to right: Councilmembers Barry Groveman and Jonathon Wolfson, Laura Plotkin, Assemblywoman Julia Brownley, Mayor Mary Sue Maurer, Councilmembers James Bozajian and Dennis Washburn.

#### **Calabasas Library/Civic Center**

Just 11 days later, I was pleased to be a part of the grand opening of the beautiful new Early California style Calabasas library/city hall/civic center complex. Along with Laura Plotkin, District Director for State Senator Sheila Kuehl, I presented a joint resolution to the Calabasas City Council from the State Assembly, formally recognizing this important milestone in the City's history.

The Calabasas Library and City Hall were also designed to be as energy efficient and sustainable as possible. Once the certification has

been made official, the Calabasas Civic Center will be the first municipal complex in the nation to achieve Gold LEED certification, with only the rare Platinum certification being a higher rating. Both city hall and the library are designed to use 40% less energy and 30% less water than standard structures -- critical in the current drought situation. Landscape irrigation systems are underground, reducing spray and evaporation. Over 75% of the sixacre site is permanent open space. Artwork on loan from the Los Angeles County Museum of Art is hung throughout the complex.

Ground was broken in January of 2007, and the Calabasas City Council was deservedly proud to announce that the project had been completed on time, and <u>under</u> budget.

Two very exciting projects!

## **Assembly Resolutions Pass Out of Committee**

Not all legislation is destined to become a statute. There are also resolutions of several types which are formalized expressions of the entire State Assembly, State Senate, or both, on issues of importance to California. I introduced three Assembly Joint Resolutions this month and a House Resolution.



Source: www.lariverrmp.org

#### AJR 70 - Los Angeles River

The U.S. Army Corps of Engineers recently determined that only two short stretches of the 51 mile Los Angeles River are "traditional navigable waters," thus calling into question the status of the balance of the River – specifically, Federal Clean Water Act protections for all the streams and tributaries that feed into it that could otherwise be adversely impacted by development.

AJR 70 memorializes Congress and the President to support a special case review by the U.S. EPA of the Army Corps determination.

STATUS: Passed Assembly Water, Parks and Wildlife Committee.

#### **AJR 68 – Marine Mammals**

Scientific studies have proven a link between the use of mid-frequency sonar and mass deaths, panic, and hearing loss in marine wildlife – marine mammals in particular – with the U.S. Navy training area covering much of the breeding and migration grounds for many species, including migrating blue and gray whales.

AJR 68 asks the President and the Navy to abide by the laws governing usage and effects upon the coastal regions of California for training operations off the Southern California coast with respect to sonar and marine wildlife.

STATUS: Passed Assembly Water, Parks and Wildlife Committee.

#### AJR 69 – Child Nutrition Programs

The National School Lunch Program exists to safeguard the health and well-being of the nation's children, and recognizes the link between adequate nourishment and educational performance.

AJR 69 urges the President and Congress to reauthorize federal child nutrition programs, and to ensure that reimbursement rates for reduced-price meals are adequate to fully fund the cost of producing a nutritious lunch relative to the cost of living in a region.

STATUS: Introduced and awaiting hearing in Assembly Education Committee.

#### **HR 32 - National Park Service**

Established by Congress in 1964, the Land and Water Conservation Fund, generating \$900 million a year primarily from offshore oil and gas leases, is intended to serve as the primary source for funding the land acquisition needs of the National Park Service. Yet Congress has been steadily reducing park appropriations, diverting the rest to other purposes, with only \$69 million appropriated to the National Park Service for 2008, and the President's budget eliminating the LWCF State Assistance Program altogether for 2009.

HR 32 expresses the support of the Assembly for "consistent, full, and complete appropriation of the Land and Water Conservation Fund money ... to the land acquisition priorities of the National Park Service and to fund state matching programs."

STATUS: Passed Assembly Water, Parks and Wildlife Committee.

### Bits 'n' Pieces ...

## Meeting Chile's First Woman President



I had the great privilege last month of meeting Her Excellency Michelle Bachelet Jeria. President of the Republic of Chile, the first woman President in Chile's history, just before she addressed the California State Assembly. She speaks five languages, is one of the most powerful women in the world, and has a fascinating life story that took her from being imprisoned and tortured by the Pinochet regime that killed her father to the Presidency in 2006 at age 54.

Since my daughter Hannah has spent a considerable amount of time in Chile, and I have also had the opportunity to visit Chile, it was a very special honor for me to meet with the President in a small and intimate gathering.

### Oxnard LNG Opposition Activists Honored



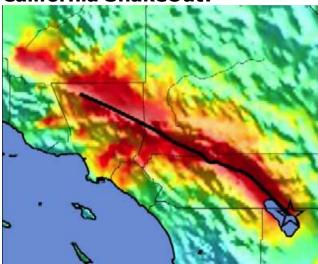
Local environmentalists Shannon McComb (center), age 13, and Owen Bailey (right) were honored in June by the Los Padres Chapter of the Sierra Club as well as by Earth Alert for their activism that helped sink the massive floating LNG platform that BHP Billiton had hoped to moor offshore from Shannon was only 8 when she Oxnard. found her environmental voice and began to speak out at dozens of hearings and to the press. Owen Bailey, a Sierra Club member was honored for being a major force in organizing the opposition. I was proud to present certificates of recognition to both, expressing the gratitude of the California State Assembly. Lt. Governor John Garamendi kevnoted and was one of the two votes that killed the project at the State Lands Commission.

## Independence Day in the Palisades



Celebrating the nation's 232<sup>nd</sup> birthday at the wonderful annual Fourth of July parade on a beautiful morning in Pacific Palisades. This is an event that I look forward to participating in every year. I am always amazed and impressed by the originality of the cars and other entries. It's a parade that I took my kids to every year – now both in the twenties – so I feel very much at home in the Palisades. It was an honor to be a part of the parade that I enjoyed so much as a spectator.

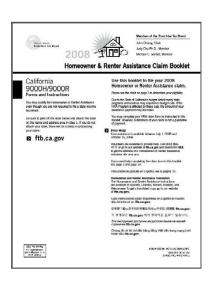
## Ready for the Great Southern California ShakeOut?



With California prime earthquake real estate, preparation is everything. Timothy Lippman, my District Senior Assistant, attended the unrolling of the "Great Geological Survey's Southern California ShakeOut" drill which will be a week of special events in November, plus the largest earthquake drill in U.S. history. All levels of government will be asked to well participate as as the public. ShakeOut is based on a potential 7.8 magnitude earthquake on the southern San Andreas Fault, an earthquake that occurs on an average of every 150 years (with the last one 151 years ago!). You can learn more, and how to participate, at www.shakeout.org .

# Are You Eligible for Renter or Homeowner Assistance?

These are once-a-year payments to qualified individuals from the State based on property taxes paid directly as homeowners or indirectly included in rent. In general, you must be 62 or older or under 62 and blind or disabled, have rented or owned a residence subject to property tax during 2007, and meet certain income requirements which can be as high as \$80,172 gross household income. For details and claim forms, instruction booklets are available on request from my District Office, or you can visit the Franchise Tax Board's website at www.ftb.ca.gov.



## **Good News for College Loan Borrowers**

#### **Stafford loans**

The interest rate on new "subsidized" Stafford loans was reduced on July 1 from 6.8% to 6%, and is scheduled to continue to drop over the next three years to a final rate of 3.4%. Interest rates are fixed, which means they will never adjust during the life of the loan. The subsidy is that the government pays the interest while students are still in school. "Unsubsidized" Stafford loans will remain at 6.8%. Stafford loans are available from the U.S. Education Department's Direct Loan program, and from lenders including Sallie Mae and from participating commercial banks.

#### **Pell grants**

This is college money that does <u>not</u> have to be repaid, and the amounts available for the coming school year just went up, based on family income. The maximum Pell grant for the coming school year is \$4,731, up from \$4,310. The federal law that made this change requires three more annual increases, but subject to appropriation by Congress.

#### **Consolidate student loans**

Now is the time to do it. If you got a federally-guaranteed student loan prior to July 2007, look into consolidating under the government's Direct Loan program. These loan rates reset on July 1 every year, and variable rates dropped dramatically. You may be able to lock in a fixed rate of 4.2%, down from as much as 7.2%. Do nothing, and you will continue to be subject to annual adjustments. For more information, go to www.loan-consolidation.ed.gov.

#### **TEACH grants**

Created in the same legislation that increased Pell grant amounts, these are grants of up to \$4,000 for students who plan to teach math, science, special education, bilingual education, and other "high need" subjects at schools with high numbers of low-income students. There are conditions to these grants. For information on qualifying schools, go to www.tcli.ed.gov/CBSWebApp/tcli/TCLIPubSchoolSearch.jsp.

For information on all student loan opportunities and changes, see the Financial Aid Officer at your college.

### **Committee and Legislative Appointments**

Chair, Assembly Budget Subcommittee #2 on Education Chair, Select Committee on Higher Education in the 21<sup>st</sup> Century

Aging and Long-Term Care
Budget
Budget Subcommittee #3 on Resources
Education
Natural Resources
Joint Legislative Budget Committee
Select Committee on Community Colleges
Select Committee on Domestic Violence
Select Committee on State School Financial Takeovers

Legislative Liaison, Santa Monica Bay Restoration Commission Legislative Participant, Santa Monica Mountains Conservancy California Commission on the Status of Women

#### **HOW TO REACH ME:**

#### **District Office:**

6355 Topanga Canyon Blvd., Suite 205 Woodland Hills, CA 91367 Phones: (818) 596-4141 . (805) 644-4141 . (310) 395-3414 Fax: (818) 596-4150 **Capitol Office:** 

State Capitol P.O. Box 942849 Sacramento, CA 94249-0041 Phone: (916) 319-2041 Fax: (916) 319-2141

democrats.assembly.ca.gov/members/a41/ or www.assembly.ca.gov